

State of Missouri
**Communications
Cost Allocation Plan**



Fiscal Year 2010

Fiscal Year 2010

Office of Administration Information Technology Services

**State of Missouri communications
Cost Allocation Plan
Fiscal Year 2010**

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Background and General Description

Purpose

This document explains the methodology utilized by the Information Technology Services Division in developing rates for communications services provided to state agencies, colleges, and universities. The authorization to develop rate structures and establish a charging system is provided under Chapter 37, RSMo 1986.

This Cost Allocation Plan, and the process by which it is developed, is consistent with the revolving administrative trust fund methodology utilized by the Information Technology Services Division the past several years. The estimated expenditures and rates set forth herein provide the means for ensuring full cost recovery based on agency use of services. As with any plan, actual events and historical data will require close monitoring and some revisions.

Pricing Concepts

The major objective of the Information Technology Services Division is to provide state agencies and organizations cost effective and efficient shared communications resources. Achievement of this objective results in improved productivity in state government and more effective delivery of governmental services to the citizenry by state agencies.

The charging systems or objectives associated with this Cost Allocation Plan methodology can be summarized as follows:

1. establish usage sensitive pricing of services
2. provide rate stabilization
3. develop a cost for the total communications service package which is less than can be obtained elsewhere
4. provide agencies maximum flexibility in controlling use
5. minimize the impact of future rate changes and/or cost increases
6. maximize economies of scale opportunities available through resource sharing.

Revolving Administrative Trust Fund

The revolving administrative trust fund was established to receive funds paid or transferred to the Office of Administration by agencies of the state for goods and services utilized by such agencies. Spending ceiling authorization is enacted annually by appropriation and any unencumbered balance in excess of 1/8 of the amount appropriated to the revolving

administrative trust fund at the close of the fiscal year reverts to the general revenue fund in accordance with other provisions of the law. No monies are actually provided to the Office of Administration under this appropriation. The funds to pay for communications services are appropriated by the General Assembly directly to the state agencies, colleges, and universities. Payment for communications services are made by the Office of Administration from the revolving administrative trust fund. The fund is then replenished by monthly billing to state agencies, colleges and universities based on the use of services.

Expenditure Planning

One of the key components of this Cost Allocation Plan is developing an overall schedule and general allocation of anticipated expenditures. The expenditure plan contained in Section C of this report reflects the best estimate of the costs required to provide communications services to state agencies over a twelve month period.

Development Methodology

A cost-based development methodology was employed in establishing the billing rates detailed in Section E of this plan. The benefits of this cost based methodology are two fold: (1) as a full cost approach, both direct and indirect costs are included, and the problem of under or over recovery of communications total budget costs is minimized, (2) it provides an equitable method for cost recovery; i.e., the rate is based on the amount of resources utilized.

The methodology for development of this Cost Allocation Plan can generally be summarized as the execution of the following eight work steps:

1. Determine Services Provided

The types of services provided by the Telecommunications and Network sections are based on the requirements of state agencies and are typically similar to services provided by regulated telephone utilities, facility based carriers, other common carriers, and resellers of inter-city telecommunications services. These services are provided by the Office of Administration when the state can obtain enhanced shared features and realize economy of scale.

2. Establish Units of Service

The unit of service utilized to measure the volume of service provided for each service type was established based on three major criteria: relationship to the function performed, measurability, and level of control which can be exercised by the customer agencies.

3. Compile Estimates of Utilization

The Fiscal Year 2009 utilization of each service category was compiled. The category estimates were then used as a basis for projections or estimates for Fiscal Year 2010 of each type of service.

4. Identify Types of Costs

Two basic types of costs were identified: (1) allocated direct; and (2) allocated indirect. Allocated direct costs were those costs that can be directly identified with providing a type of service. Costs allocated indirectly are related costs that cannot be directly identified with providing a specific type of service.

5. Determine Allocated Direct Costs

Budgeted expense and equipment costs that could be directly identified with providing a specific type of service were accumulated to determine total allocated direct cost by type of service. In some cases an expense or equipment cost applies to more than one service category. The cost is then split by percentage among the appropriate type of service.

6. Determine Allocated Indirect Costs

Budgeted expense, equipment and personnel costs that could be indirectly identified with providing a specific type of service were accumulated to determine total allocated indirect cost by type of service.

7. Summarized Total Cost by Service

Total cost by service was determined by adding the direct and indirect allocated costs.

8. Calculate Cost Per Unit of Service

The cost per unit of service was calculated by dividing the total annual cost by the total estimated annual utilization.

Service Category Definitions

Centrex Access

The basic unit of service provided by State Telecommunications to customers is access (dial tone). Embarq provides this service under the service mark of Centrex in Jefferson City, Rolla, Warrensburg and Maryville. This basic unit of service allows customers the ability to receive calls from any customer of the world-wide telecommunications system. Also associated with this basic service unit is the unlimited ability of Jefferson City, Rolla, Warrensburg and Maryville customers to call other customers within their system with four or five digit dialing. This category also includes some other Embarq service areas and additional locations will be added throughout the year. Service to Butler, California, Clinton, Lebanon and Warsaw was added in Fiscal Year 2003. Major cost components identified with this service element are the line charges and features which allow transmission and receipt of calls from the nationwide toll centers and the Federal End User charge.

Dedicated Long Distance

Within the Dedicated Long Distance rate are those costs for the dedicated facilities to terminate the AT&T T1s onto the state's PLEXAR and Centrex services and the cost per minute for the usage that either completes or originates using a PLEXAR or Centrex telephone line. Also included in this rate are the private T1s and central office components for locations that warrants dedicated facilities due to call volumes.

Switched Long Distance

Switched Long Distance is the cost-per-minute usage for calls originating from a state telephone line referred to as a Business Line, IFB or tariff local service. In other words, this category would be for any usage originating from a state telephone line other than a line defined as a PLEXAR or Centrex.

PLEXAR Access

Access (dial tone) is the basic unit of service provided to customers in cities served by AT&T Telephone Company and has the trademark of PLEXAR. This basic unit of service allows customers to receive calls from any caller on the worldwide telecommunications system. It also permits customers to have the unlimited ability to place calls on the local and state networks and allows three, four and five digit dialing within their system. The major cost elements associated with this service are the feature and station line charges and the Federal End User charge.

Data Circuits

Data circuit service is the physical facility and PVCs costs that are used for transport of data applications. Physical facilities include intrastate (inter and intra LATA) and interstate circuits connecting two or more locations together on a dedicated basis as well as MPLS, Frame Relay and local circuits. In general, this service provides the agencies with the order processing, billing functions and contract administration required with the dedicated data circuits. The cost element with this service is the circuit costs and an administrative fee.

Voice Mail

This category of service provided to customers is access from the central office to the systems located in Jefferson City, Hannibal, Carthage, St. Joseph, Kansas City, Springfield, Sikeston, Hillsboro, Neosho, Nevada, Sedalia, Lee's Summit, Cape Girardeau, Farmington, Poplar Bluff, New Madrid, Joplin, St. Charles and St. Louis. The cost elements of this service include a monthly lease charge for the boxes in Warrensburg and Rolla as well as maintenance on owned systems.

Pass-Through Telephone Service

Pass-Through service is the process by which the charges billed by the telephone vendors are in turn billed to the appropriate agencies. Charges incurred for services such as local service, toll, and calling cards etc. are billed to the agencies with an administrative fee added.

Toll-Free

This category is for Toll-Free service such as 800, 888, 877 and 866 numbers where agencies pay the per-call costs instead of the caller. The cost elements for this service include circuit, per minute service cost and an administrative fee.

Internet Services

Internet Services supplied to state agencies include bandwidth, redundancy, security measures, monitoring and troubleshooting. These services enable state employees to access a wealth of information available on the Internet, as well as allowing state agencies to provide information and e-business services to our customers. Agencies can also additionally utilize these services for VPN (virtual private network) connectivity to remote users or offices, as well as other services such as videoconferencing connectivity to locations outside the boundaries of state government.

Network and Security Connections

Network and Security Connection services represent the "core" network and security functions provided to all state agencies. As the enabler for connectivity from any agency to enterprise applications (e.g., SAM II), inter-agency electronic communications, or agency connectivity to the Internet, these services also provide various levels of security and redundancy for the customer structures. In addition, technical and consulting services are provided to agencies through this category.

Wireless Service

Wireless Service includes the purchase of wireless handheld devices and monthly service plans for Blackberry devices, PC modem cards, cellular phones, etc.

Contact Information

- **Deputy for Operations**
Steve Siegler
- **Deputy for Administration**
Arlan Holmes
- **Director of Networks and Telecommunications**
Pete Wieberg
- **Telecommunications Services & Support**
Nancy Bochat
- **Network Infrastructure Support**
Durk Merrell
- **Fiscal Services**
Joyce Crawford

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Detailed Budget

Personnel Service			Budget Amount FY09	Budget Amount FY10
1	100%	Account Clerk II	\$24,572	\$24,576
2	100%	Account Clerk II	\$24,572	\$24,576
3	100%	Account Clerk II	\$25,375	\$25,380
4	100%	Account Clerk II	\$24,572	\$25,380
5	100%	Accountant I	\$29,577	\$29,580
6	100%	Accountant I	\$29,577	\$29,580
7	100%	Accountant I	\$35,313	\$35,316
8	100%	Accounting Anal II	\$35,955	\$40,212
9	21%	Administrative Office Support Assistant	\$7,416	\$7,416
10	20%	Computer Info Tech I	\$0	\$7,190
11	100%	Computer Info Tech I	\$37,290	\$37,296
12	0%	Computer Info Tech III	\$48,080	\$0
13	21%	Computer Info Tech Spec I	\$12,399	\$11,808
14	100%	Computer Info Tech Spec I	\$53,291	\$53,287
15	100%	Computer Info Tech Spec I	\$54,359	\$54,360
16	100%	Computer Info Tech Spec I	\$54,359	\$54,360
17	20%	Computer Info Tech Spec II	\$11,574	\$11,573
18	21%	Computer Info Tech Spec II	\$11,903	\$12,668
19	20%	Computer Info Tech Spec II	\$13,137	\$13,135
20	100%	Computer Info Tech Spec II	\$12,938	\$61,614
21	21%	Computer Info Tech Spec III	\$14,689	\$0
22	20%	Computer Info Tech Spec III	\$13,416	\$13,416
23	20%	Computer Info Tech Spec III	\$13,416	\$13,990
24	100%	Computer Info Tech Spec III	\$65,675	\$65,669
25	70%	Computer Info Tech Supv I	\$35,049	\$35,053
26	100%	Computer Info Tech Supv II	\$57,870	\$64,272
27	100%	Computer Info Tech Supv II	\$69,945	\$69,948
28	100%	Computer Info Tech Trainee	\$31,180	\$29,580
29	100%	Computer Info Technologist II	\$35,955	\$38,700
30	100%	Computer Info Technologist II	\$36,610	\$40,212
31	100%	Computer Info Technologist III	\$47,178	\$49,104
32	100%	Computer Info Technologist III	\$53,296	\$54,360
33	100%	Computer Info Technologist III	\$54,359	\$55,548
34	21%	Designated Principal Asst Dept	\$25,335	\$23,100
35	21%	Designated Principal Asst Div	\$19,143	\$19,143
36	21%	Designated Principal Asst Div	\$19,143	\$19,143
37	21%	Designated Principal Asst Div	\$19,143	\$19,143
38	21%	Executive I	\$8,443	\$8,445
39	25%	Executive II	\$10,052	\$10,053
40	100%	Fiscal & Administrative Mgr B1	\$49,106	\$55,542
41	25%	Fiscal and Administrative Mgr B2	\$15,889	\$15,889
42	12%	Miscellaneous Professional	\$3,568	\$7,248
43	21%	Miscellaneous Technical	\$0	\$2,344
44	21%	Office of Administration Mgr 2	\$15,597	\$15,597
45	21%	Office Support Asst (KEYBRD)	\$5,594	\$5,594

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Detailed Budget (Continued)

Personnel Service (Continued)			Budget Amount FY09	Budget Amount FY10
46	21%	Sect Mgr Div of Info Svcs	\$16,021	\$16,020
47	21%	Special Asst Professional	\$0	\$12,838
48	100%	Special Asst Professional	\$74,271	\$74,272
49	100%	SR Office Support Asst (CLERICAL)	\$24,572	\$24,576
50	100%	SR Office Support Asst (CLERICAL)	\$28,057	\$28,056
51	100%	SR Office Support Asst (CLERICAL)	\$29,516	\$29,520
52	100%	Sr. Office Support Asst (CLERICAL)	\$24,572	\$24,576
53	25%	Sr. Office Support Asst (KEYBRD)	\$7,014	\$7,929
52		Overtime, Unallocated PS	\$44,099	\$15,082
99		Fringe Benefits	<u>\$605,612</u>	<u>\$670,237</u>
Total Personnel Service:			\$2,119,641	\$2,193,505

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Detailed Budget (Continued)**

Communications Expense and Equipment		Budget Amount	Budget Amount
		FY09	FY10
J901	Hardware and Software Maintenance	\$140,544	\$151,961
J904	Software Maintenance	\$48,086	\$14,480
J906	Hardware Purchase	\$184,000	\$279,556
J910	Consulting Service	\$10,000	\$10,000
J911	Wiring and General Services	\$25,000	\$25,000
J106	Hardware, Software, Maintenance	\$153,095	\$220,591
J107	Fiber and Backhaul Charges	\$0	\$52,600
J111	Digital T1 (PRI) Data Circuits	\$19,515	\$19,515
J114	MoreNet Affiliate Fee	\$19,300	\$32,988
J115	MoreNet Primary Connection	\$172,500	\$134,563
J116	MoreNet Secondary Connection	\$104,250	\$47,600
J121	MoreNet Consulting	\$20,000	\$5,000
J127	MoreNet Internet Connection Fee	\$12,800	\$6,875
JR01	Centrex Lines - Embarq	\$3,287,972	\$3,156,792
JR02	Centrex Tax & Misc - Embarq	\$263,418	\$228,619
JR03	Centrex Fed End User - Embarq	\$489,137	\$425,692
JR04	T1 Terminations (Plexar)	\$218,231	\$82,386
JR05	Dedicated Long Distance Usage	\$798,785	\$1,140,976
JR06	Plexar Lines - AT&T	\$2,130,803	\$2,119,176
JR07	Plexar VFG Trunks - AT&T	\$982,145	\$982,526
JR08	Plex Fed End User 9ZR - AT&T	\$1,501,050	\$1,378,849
JR09	Plex Fed End Eucl Credit - AT&T	-\$1,370,313	-\$1,260,181
JR10	Plexar Miscellaneous - AT&T	\$193,844	\$183,648
JR12	Voice Mail Circuits	\$158,746	\$199,751
JR13	Centrex Pass-Through - Embarq	\$468,561	\$503,854
JR14	Toll-Free Service Pass Through	\$159,691	\$65,706
JR16	Plexar Pass Through - AT&T	\$194,785	\$196,818
JR17	Business Line Service	\$1,301,734	\$1,694,297
JR18	Toll Usage on Business & Plexar Invoices	\$48,926	\$29,888
JR19	Directory Assistance	\$24,646	\$18,671
JR20	Directory Purchase	\$2,076	\$0
JR21	Toll-Free Termination Charges - AT&T	\$53,292	\$58,948
JR22	Jeff City Music On Hold Circuit	\$1,009	\$1,132
JR24	Metropolitan Area Network Services	\$420,868	\$578,149
JR25	SMDR - AT&T	\$806	\$871
JR26	ARS Package - AT&T	\$2,402	\$2,402
JR27	Satellite Services	\$542,386	\$106,402
JR28	Contract Long Distance Service	\$880,080	\$730,110
JR29	Calling Card Usage	\$41,135	\$26,433
JR30	Frame Relay & Tariff Circuits	\$3,205,546	\$2,252,812
JR31	Dial-Up Internet Access Service	\$248,995	\$265,630

State of Missouri Communications

Cost Allocation Plan

Fiscal Year 2010

Detailed Budget (Continued)

Communications Expense and Equipment (continued)		Budget Amount FY09	Budget Amount FY10
JR33	Service Center Transport Cost	\$39,539	\$0
JR34	LD Terminations (Plexar) - AT&T	\$92,247	\$99,960
JR35	Network Transport Circuits	\$2,484,478	\$846,390
JR36	Voice T1's (DMS to DMS)	\$174,000	\$0
JR37	ISDN-PRI	\$709,840	\$644,564
JR38	Tolls on Centrex Invoices	\$6,104	\$6,313
JR39	Voice Grade Circuits	\$67,162	\$80,331
JR40	Other Centrex Pass-Through	\$1,689	\$4,086
JR41	Wireless Services	\$3,000,000	\$3,872,097
JR45	Toll Free Usage	\$2,729,268	\$2,791,582
JR46	MPLS	\$900,000	\$2,888,554
JR47	International Usage	\$72,000	\$90,597
JT40	Voice Mail Maintenance	\$104,737	\$135,453
JT41	Voice Mail New Equipment	\$360,000	\$400,812
	Total Expense & Equipment	\$27,900,910	\$28,031,824

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Detailed Budget (Continued)

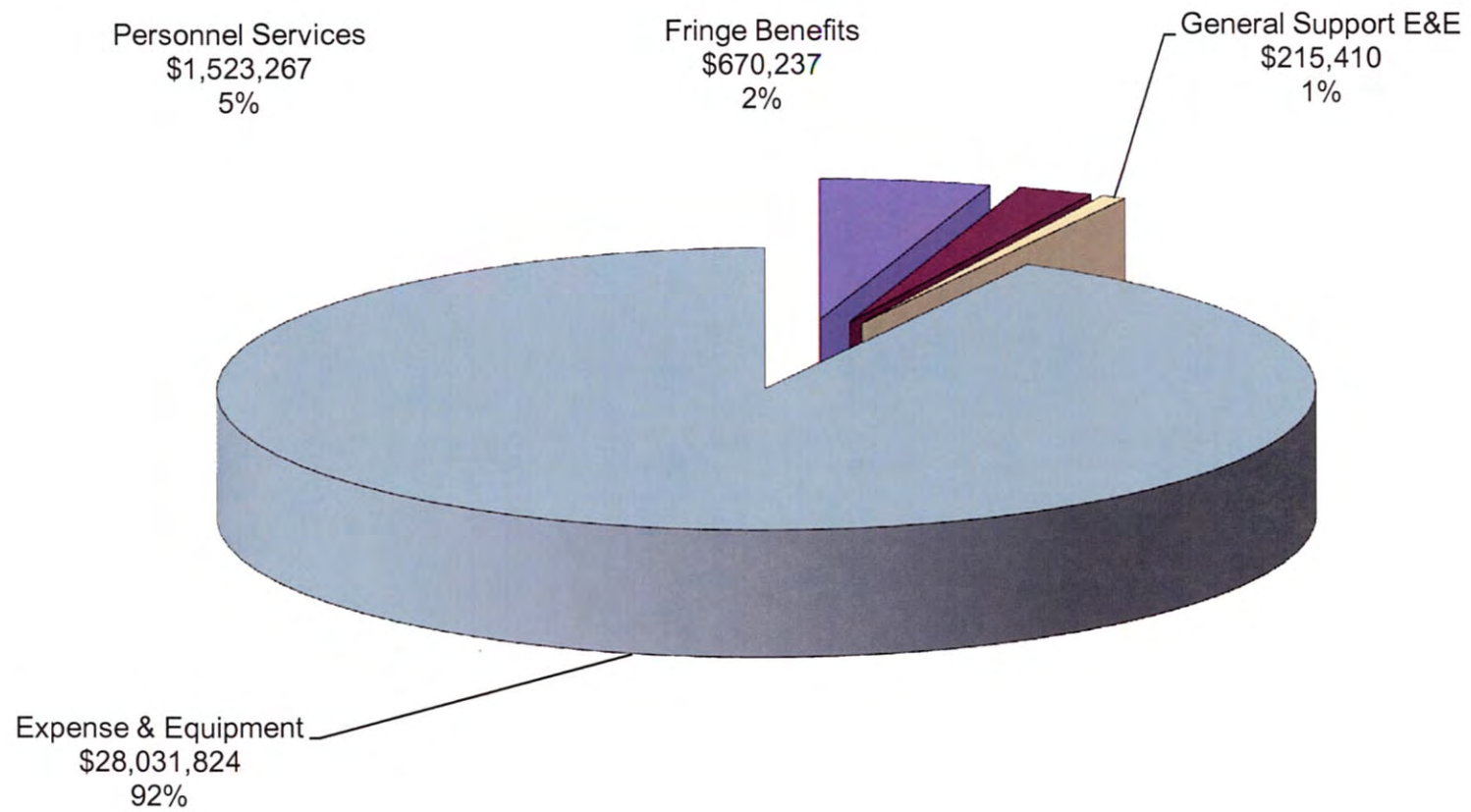
General Support (Indirect) Expense and Equipment		Budget Amount FY09	Budget Amount FY10
JT02	In State Mileage	\$1,500	\$1,500
JT03	In State Lodging	\$4,000	\$4,000
JT04	In State Meals	\$1,500	\$1,500
JT05	In State Other	\$250	\$250
JT06	Out State Mileage	\$500	\$500
JT07	Commerical Trans.	\$2,750	\$2,750
JT08	Out State Lodging	\$3,000	\$3,000
JT09	Out State Meals	\$500	\$500
JT10	Out State Other	\$75	\$75
JT11	Office supplies	\$3,500	\$3,500
JT12	Postage	\$8,000	\$8,000
JT13	Subscriptions	\$50	\$50
JT14	Other Admin Supplies	\$100	\$100
JT15	Vehicle Repair	\$2,500	\$2,500
JT16	Motor Fuel	\$1,000	\$1,000
JT17	Memberships	\$5,000	\$5,000
JT18	Training	\$15,000	\$15,000
JT19	Tuition	\$2,000	\$2,000
JT20	Telcom Supplies	\$6,000	\$6,000
JT21	Telcom Charges	\$17,500	\$17,500
JT22	Internet	\$350	\$350
JT23	Cellular charges	\$1,500	\$1,500
JT24	Pagers	\$500	\$500
JT25	Express services	\$100	\$100
JT26	Printing	\$2,500	\$2,500
JT27	Temporaries or Compco consulting	\$60,000	\$60,000
JT28	SDC charges	\$10,000	\$10,000
JT30	Computer Hardware Maint.	\$600	\$600
JT31	Software Maintenance- Compco and TMetrics	\$49,735	\$49,735
JT32	Office Equip Maint.	\$400	\$400
JT34	Desktop Computer Equip.	\$10,000	\$10,000
JT35	Software	\$2,500	\$2,500
JT36	Comm. Equip.	\$1,500	\$1,500
JT37	Office Furniture	\$250	\$250
JT38	Office Equip.	\$500	\$500
JT39	Food	<u>\$250</u>	<u>\$250</u>
Subtotal General Support (Indirect)		\$215,410	\$215,410
Total E&E Budget		\$28,116,320	\$28,247,234
Total Budget		\$30,235,961	\$30,440,738

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010

Budget By Fund

	<u>Revolving Fund</u>
Personnel Service	\$1,523,267
Expense & Equipment	\$28,247,234
Fringe Benefits	<u>\$670,237</u>
Total	\$30,440,738

Communications Expenses By Fund



**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Centrex Access**

Annual Estimated Utilization

Number of Lines:
235,164

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>		<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
JR01	Centrex Lines - Embarq	\$3,287,972	\$3,156,792
JR02	Centrex Tax & Misc - Embarq	\$263,418	\$228,619
JR03	Centrex Fed End User - Embarq	\$489,137	\$425,692
JR11	Other Centrex Line Charges	\$0	\$0
JR22	Jeff City Music On Hold Circuit	\$1,009	\$1,132
	Subtotal Expense and Equipment	\$4,041,536	\$3,812,235
	Direct Personnel	\$92,712	\$100,260
	Total Direct Allocation	\$4,134,248	\$3,912,496
	Indirect Costs Allocated	\$14,572	\$114,636
	Total Allocated Costs	\$4,148,820	\$4,027,131
	Retained Earnings Reduction	-\$125,394	-\$180,000
	RATF Transfer	\$0	\$0
	Total Collectable Costs	\$4,023,427	\$3,847,131
	<u>\$3,847,131.10</u> 235,164	=	\$16.36
Additional Centrex Charges:			
	FEDERAL UNIVERSAL FUND*		\$0.50
	<u>MISSOURI UNIVERSAL FUND*</u>		<u>\$0.04</u>
	TOTAL		\$16.90

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Dedicated Long Distance**

Annual Estimated Utilization (in minutes):
32,840,120

Estimated Cost:
Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
JR04 T1 Terminations (Plexar)	\$218,231	\$82,386
JR05 Dedicated Long Distance Usage	\$798,785	\$1,140,976
JR07 Plexar VFG Trunks - AT&T	\$427,233	\$424,451
JR20 Directory Purchase	\$2,076	\$0
JR25 SMDR - AT&T	\$806	\$871
JR26 ARS Package - AT&T	\$2,402	\$2,402
JR34 LD Terminations (Plexar) - AT&T	\$92,247	\$99,960
JR36 Voice T1's (DMS to DMS)	\$174,000	\$0
 Subtotal Expense and Equipment	 \$1,715,780	 \$1,751,046
 Direct Personnel	 \$42,105	 \$64,263
Total Direct Allocation	\$1,757,885	\$1,815,309
Indirect Costs Allocated	\$52,460	\$53,188
Total Allocated Costs	\$1,810,345	\$1,868,497
Retained Earnings Reduction	\$0	\$0
RATF Transfer	\$0	\$0
Total Collectable Costs	\$1,810,345	\$1,868,497
 <u>\$1,868,497</u>	 =	 \$0.0569
32,840,120		

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Plexar Access**

Annual Estimated Utilization

Number of Lines:
256,608

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
JR06 Plexar Lines - AT&T	\$2,130,803	\$2,119,176
JR07 Plexar VFG Trunks - AT&T	\$554,912	\$558,075
JR08 Plex Fed End User 9ZR - AT&T	\$1,501,050	\$1,378,849
JR09 Plex Fed End Eucl Credit - AT&T	-\$1,370,313	-\$1,260,181
JR10 Plexar Miscellaneous - AT&T	\$193,844	\$183,648
Subtotal Expense and Equipment	\$3,010,296	\$2,979,567
Direct Personnel	\$129,087	\$150,444
Total Direct Allocation	\$3,139,384	\$3,130,012
Indirect Costs Allocated	\$14,572	\$91,709
Total Allocated Costs	\$3,153,956	\$3,221,720
Retained Earnings Reduction	\$0	-\$109,060
RATF Transfer	\$0	\$0
Total Collectable Costs	\$3,153,956	\$3,112,660
 <u>\$3,112,660</u> 256,608	 = 	 \$12.13
Additional Plexar Charges:*		
FEDERAL UNIVERSAL FUND*		\$0.09
<u>MISSOURI UNIVERSAL FUND*</u>		<u>\$0.04</u>
TOTAL		\$12.26

Plexar Pricing Policy:

- Lines added after the beginning of the fiscal year will be at cost if cost is greater than CAP until the next annual CAP is developed. New Plexar lines which cost more than CAP will be evaluated by the Rate Committee and may never be in the CAP rate.
- Customers pay all install charges.
- Rates are based on a 7-year agreement, customers pay all penalties related to early disconnects.

*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Data Circuits**

Annual Estimated Utilization

Actual Circuit Costs

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
JR24 Metropolitan Area Network Services	\$420,868	\$578,149
JR27 Satellite Services	\$542,386	\$106,402
JR30 Frame Relay & Tariff Circuits	\$3,205,546	\$2,252,812
JR33 Service Center Transport Cost	\$39,539	\$0
JR35 Network Transport Circuits	\$2,484,478	\$846,390
JR37 ISDN-PRI	\$709,840	\$644,564
JR39 Voice Grade Circuits	\$67,162	\$80,331
JR46 MPLS	\$900,000	\$2,888,554
Subtotal Expense and Equipment:	\$8,369,820	\$7,397,201
Direct Personnel	\$443,744	\$208,743
Total Direct Allocation	\$8,813,564	\$7,605,944
Indirect Costs Allocated	\$264,486	\$222,853
Total Allocated Costs	\$9,078,051	\$7,828,797
Retained Earnings Reduction	0	(\$117,000)
Total Collectable Costs	\$9,078,051	\$7,711,797
	<u>\$7,711,797</u>	
	\$7,397,201	x 100% = 104.25%

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Pass-Through Telephone Service**

Annual Estimated Utilization
Actual Costs

Estimated Cost:
Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
JR13 Centrex Pass-Through - Embarq	\$468,561	\$503,854
JR14 Toll-Free Service Pass Through	\$159,691	\$65,706
JR16 Plexar Pass Through - AT&T	\$194,785	\$196,818
JR17 Business Line Service	\$1,301,734	\$1,694,297
JR18 Toll Usage on Business & Plexar Invoices	\$48,926	\$29,888
JR19 Directory Assistance	\$24,646	\$18,671
JR29 Calling Card Usage	\$41,135	\$26,433
JR31 Dial-Up Internet Access Service	\$248,995	\$265,630
JR38 Tolls on Centrex Invoices	\$6,104	\$6,313
JR40 Other Centrex Pass-Through	\$1,689	\$4,086
JR47 International Usage	\$72,000	\$90,597
Subtotal Expense and Equipment	\$2,568,267	\$2,902,292
Direct Personnel	\$168,214	\$85,774
Total Direct Allocation	\$2,568,267	\$2,988,066
Indirect Costs Allocated	\$81,969	\$87,550
Total Allocated Costs	\$2,650,235	\$3,075,616
Retained Earnings Reduction	\$0	-\$86,200
Total Collectable Costs	\$2,650,235	\$2,989,416
	\$2,989,416	=
	\$2,902,292	103%

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Internet Service**

Annual Estimated Utilization

Number of accounts:
52,259

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>		<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
J106	Hardware, Software, Maintenance	\$153,095	\$220,591
J107	Fiber and Backhaul Charges	\$0	\$52,600
J111	Digital T1 (PRI) Data Circuits	\$19,515	\$19,515
J114	MoreNet Affiliate Fee	\$19,300	\$32,988
J115	MoreNet Primary Connection	\$172,500	\$134,563
J116	MoreNet Secondary Connection	\$104,250	\$47,600
J121	MoreNet Consulting	\$20,000	\$5,000
J127	MoreNet Internet Connection Fee	\$12,800	\$6,875
Total Direct Expenses		\$501,459	\$519,732
Direct Personnel		\$182,752	\$209,743
Total Indirect Expenses		\$7,286	\$21,374
Total Allocated Costs		\$691,497	\$750,849
RATF Transfer		\$0	\$0
Retained Earnings Reduction		-\$50,331	-\$107,541
Total Collectable Costs		\$641,167	\$643,308
<u>\$643,308</u>		=	\$12.31
52259			

see distribution of costs, pages 27 & 28

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Network & Security Connection**

Annual Estimated Utilization

Number of accounts:
64,237

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>		<u>FY09 Budget Amount</u>	<u>FY10 Budget Amount</u>
J901	Hardware and Software Maintenance	\$140,544	\$151,961
J904	Software Maintenance	\$48,086	\$14,480
J906	Hardware Purchase	\$184,000	\$279,556
J910	Consulting Service	\$10,000	\$10,000
J911	Wiring and General Services	\$25,000	\$25,000
Subtotal Expense and Equipment:		\$407,630	\$480,997
Direct Personnel		\$114,371	\$243,806
Total Direct Allocation		\$522,001	\$724,803
Indirect Costs Allocated		\$7,286	\$21,237
Total Allocated Costs		\$529,287	\$746,040
Retained Earnings Reduction		-\$105,025	-\$321,575
Total Collectable Costs		\$424,262	\$424,465

*See Rate Schedule
page 29*

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**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Internet Fees (Annual)**

<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
Senate	230	\$ 2,831
House	436	\$ 5,367
Legislative Research	35	\$ 431
State Courts Administrator	5100	\$ 62,781
Public Defenders	630	\$ 7,755
Governor's Office	86	\$ 1,059
Lt. Governor's Office	12	\$ 148
Secretary of State	262	\$ 3,225
State Auditor's Office	145	\$ 1,785
State Treasurer's Office	50	\$ 616
Attorney General's Office	413	\$ 5,084
OA-Commissioner's Office	21	\$ 259
OA-Accounting	61	\$ 751
OA-Budget & Planning	29	\$ 357
OA-Information Technology Services	204	\$ 2,511
OA-Facilities Management / D&C	282	\$ 3,471
OA-Personnel	80	\$ 985
OA-Purchasing & Materials Management	56	\$ 689
OA-General Services	109	\$ 1,342
OA-Children's Trust Fund	6	\$ 74
OA-Administrative Hearing Commission	18	\$ 222
OA-Excellence in Missouri Foundation	6	\$ 74
OA-Office of Child Advocate	5	\$ 62
Dept of Agriculture	299	\$ 3,681
Dept of Insurance	210	\$ 2,585
Insurance - Credit Union	20	\$ 246
Insurance - Finance	106	\$ 1,305
Insurance - Professional Registration	300	\$ 3,693
Dept of Conservation	1653	\$ 20,348
Dept of Economic Development	803	\$ 9,885
DED - Public Service Commission	201	\$ 2,474
Elementary & Secondary Education	895	\$ 11,017
DESE - Vocational Rehabilitation	329	\$ 4,050

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Internet Fees, cont'd (Annual)**

<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
Commission for the Deaf	7	\$ 86
Coordinating Board for Higher Education	107	\$ 1,317
Dept of Health and Senior Services	2150	\$ 26,467
Dept of Transportation	5091	\$ 62,670
Labor & Industrial Relations	917	\$ 11,288
Dept of Mental Health	6500	\$ 80,015
Dept of Natural Resources	1473	\$ 18,133
DPS - Director's Office	68	\$ 837
DPS - SEMA	98	\$ 1,206
DPS - Capitol Police	28	\$ 345
DPS - Liquor Control	67	\$ 825
DPS - Fire Safety	34	\$ 419
DPS - Missouri Veteran's Commission	381	\$ 4,690
DPS - Missouri State Water Patrol	52	\$ 640
DPS - Adjutant General (MONG)	365	\$ 4,493
Missouri State Highway Patrol	2187	\$ 26,922
Gaming Commission	190	\$ 2,339
Dept of Revenue-ITSD	1820	\$ 22,404
State Tax Commission	63	\$ 776
Lottery Commission	172	\$ 2,117
Dept of Social Services	9429	\$ 116,071
Dept of Corrections	7800	\$ 96,018
Missouri Consolidated Health Care	80	\$ 985
MOSERS	66	\$ 812
Ethics Commission	22	\$ 271
		<hr/>
		\$ 643,308

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2010
Network and Security Connection Fees (Annual)**

<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
SENATE	214	\$ 500
HOUSE OF REPS	447	\$ 1,069
LEGISLATIVE RESEARCH	44	\$ 102
STATE COURTS ADMIN	3654	\$ 9,092
PUBLIC DEFENDER COMM	551	\$ 1,315
GOVERNOR	21	\$ 49
LIEUTENANT GOVERNOR	6	\$ 14
SECRETARY OF STATE	266	\$ 1,399
AUDITOR	126	\$ 324
TREASURER	49	\$ 122
ATTNY GENERAL	400	\$ 927
OA	2075	\$ 25,903
AGRICULTURE-ITSD	480	\$ 1,151
INSURANCE-ITSD	725	\$ 1,886
CONSERVATION	2107	\$ 5,045
ECOMOMIC DEVELOPOMENT-ITSD	805	\$ 2,741
PUBLIC SERVICE COMMISSION	197	\$ 488
ELEMENTARY & SECONDARY ED	2845	\$ 7,098
HIGHER EDUCATION - ITSD	75	\$ 198
HEALTH AND SENIOR SERVICES-ITSD	1936	\$ 13,941
HIGHWAYS & TRANSPORTATION	6907	\$ 17,741
LABOR & INDUSTRIAL RELATIONS-ITSD	865	\$ 9,005
MENTAL HEALTH-ITSD	10576	\$ 30,200
NATURAL RESOURCES-ITSD	2155	\$ 7,949
PUBLIC SAFETY-ITSD	3018	\$ 7,386
HIGHWAY PATROL	2365	\$ 33,379
REVENUE-ITSD	1437	\$ 54,025
SOCIAL SERVICES-ITSD	8529	\$ 164,150
CORRECTIONS-ITSD	11188	\$ 27,191
OTHER CUSTOMERS (NON-AGENCY)	0	\$ 75
		\$ 424,465

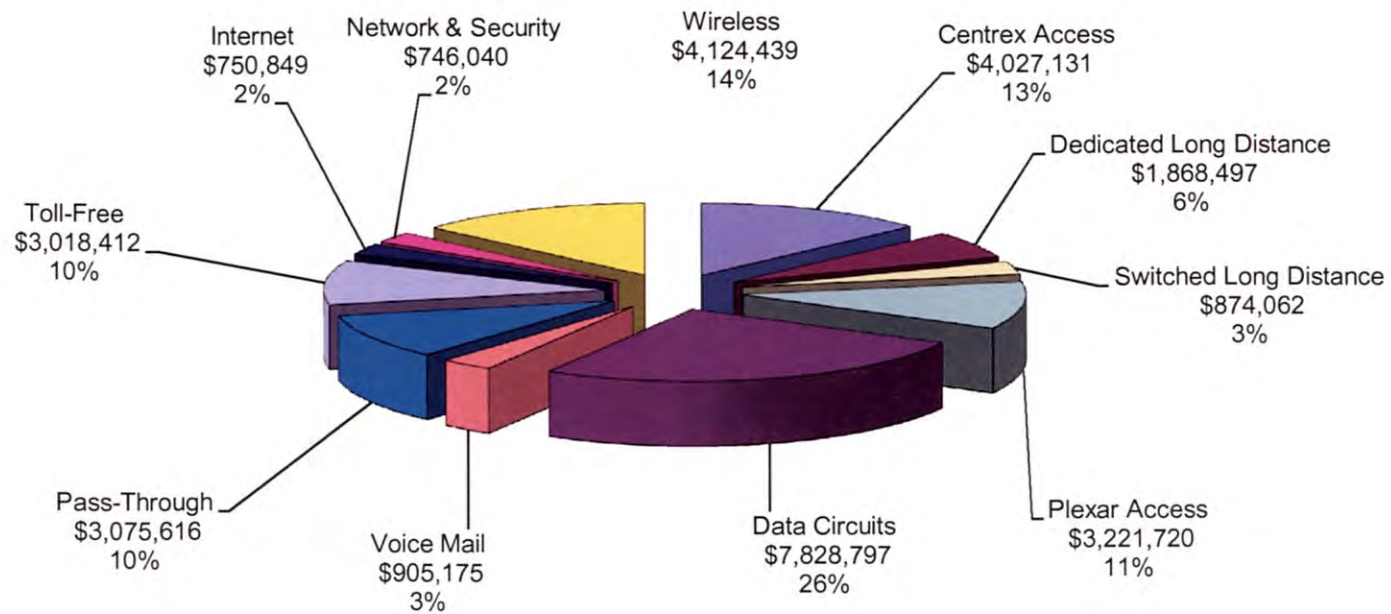
STATE OF MISSOURI COMMUNICATIONS
COST ALLOCATION PLAN
Fiscal Year 2010
RATE CALCULATION SUMMARY

	CENTREX ACCESS	Dedicated LONG DISTANCE	Switched LONG DISTANCE	PLEXAR ACCESS	DATA CIRCUITS	VM ADMIN. CHARGE**	PASS THRU	TOLL FREE	INTERNET SERVICE	NETWORK & SECURITY CONNECTION	WIRELESS SERVICE	TOTAL
DIRECT ALLOCATION												
PERSONNEL SERVICE	\$100,260	\$64,263	\$119,070	\$150,444	\$208,743	\$143,392	\$85,774	\$81,961	\$209,743	\$243,806	\$134,936	\$1,542,394
EXPENSE and EQUIPMENT	\$3,812,235	\$1,751,046	\$730,110	\$2,979,567	\$7,397,201	\$736,016	\$2,902,292	\$2,850,530	\$519,732	\$480,997	\$3,872,097	\$28,031,824
SUBTOTAL	\$3,912,496	\$1,815,309	\$849,181	\$3,130,012	\$7,605,944	\$879,409	\$2,988,066	\$2,932,490	\$729,475	\$724,803	\$4,007,033	\$29,574,218
INDIRECT ALLOCATION												
PERSONNEL SERVICE	\$86,138	\$39,966	\$18,696	\$68,911	\$167,454	\$19,361	\$65,786	\$64,562	\$16,060	\$15,957	\$88,219	\$651,111
EXPENSE and EQUIPMENT	\$28,497	\$13,222	\$6,185	\$22,798	\$55,399	\$6,405	\$21,764	\$21,359	\$5,313	\$5,279	\$29,186	\$215,410
SUBTOTAL	\$114,636	\$53,188	\$24,881	\$91,709	\$222,853	\$25,767	\$87,550	\$85,922	\$21,374	\$21,237	\$117,406	\$866,521
TOTAL ALLOCATED COSTS	\$4,027,131	\$1,868,497	\$874,062	\$3,221,720	\$7,828,797	\$905,175	\$3,075,616	\$3,018,412	\$750,849	\$746,040	\$4,124,439	\$30,440,738
RETAINED EARNINGS REDUCTION RATE TRANSFER	-\$180,000.00			-\$109,060.00	-\$117,000.00		-\$86,200.00		-\$107,541.00	-\$321,575.00	-\$175,000.00	-\$1,096,376.00
COLLECTABLE COSTS	\$3,847,131	\$1,868,497	\$874,062	\$3,112,660	\$7,711,797	\$905,175	\$2,989,416	\$3,018,412	\$643,308	\$424,465	\$3,949,439	\$29,344,362
UTILIZATION	235,164 LINES	32,840,120 MIN	11,832,259 MIN	256,608 LINES	\$7,397,201 COST	241,380 LINES	\$2,902,292 COST	53,052,828 MIN	52259 ACCOUNTS	SEE RATE TABLE	\$3,872,097 COST	
RATE	\$16.36	\$0.0569	\$0.0739	\$12.1300	104.25%	\$3.7500	103.00%	\$0.0569	\$12.31	(Page 29)	102.00%	
FED UNIVERSAL FUND*	\$0.50			\$0.09								
MO UNIVERSAL FUND*	\$0.04			\$0.04								
TOTAL	\$16.90			\$12.26								

*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.

**This rate is for existing mailboxes only. After conversion to the new voice mail system, rates will need to be re-evaluated.

Total Allocated Cost by Rate Category



**STATE OF MISSOURI TELECOMMUNICATIONS
COST ALLOCATION PLAN
Fiscal Year 2010
RATE SUMMARY**

CAP Rates

Centrex Access	\$16.36 per line + FCC costs
Dedicated Long Distance	\$0.0569 per minute
Switched Long Distance	\$0.0739 per minute
Plexar Access	\$12.13 per line + FCC costs
Data Circuits	104.25% of actual cost
Voice Mail (standard mailbox)	\$3.75 per mailbox
Pass-Through Telephone Service	103% of actual cost
Toll-Free	\$0.0569 per minute
Internet	\$12.31 per account
Network & Security	see rate schedule
Wireless	102% of actual cost

Directory Assistance

Intrastate	\$1.99 per call
Interstate	\$1.99 per call
Toll	Actual Cost

Conference Calls

Progressive	\$10.00 per hour
Meet-Me	\$5.00 per hour

Contract Services

Calling Card Cost (per minute)	\$.07 day/evening/night/weekend
ISDN Calls	\$.13 day/evening/night/weekend